member had served on active duty during the entire period of the member's high-36 months), divided by "(B)36.

"(3) SPECIAL RULE FOB SHORT-TERM DISABILITY RETIREES.—In the case of a member who is entitled to retired pay under section 1204 or 1205 of this title and who was a member for less than 36 months before being retired under that section, the member's high-three average (notwithstanding paragraph (2)) is the amount equal to—

"(A) the total amount of basic pay to which the member was entitled during the entire period the member was a member of a uniformed service before being so retired (or to which the member would have been entitled if the member had served on active duty during the entire period the member was a member of a uniformed service before being so retired), divided by

"(B) the number of months (including any fraction thereof) which the member was a member before being so retired.

"(4) HIGH-36 MONTHS.—The high-36 months of a member or former member whose retired pay is covered by paragraph (1) or (2) are the 36 months (whether or not consecutive) out of all the months before the member or former member became entitled to retired pay for which the monthly basic pay to which the member or former member was entitled (or would have been entitled if serving on active duty during those months) was the highest. In the case of a former member, only months during which the former member was a member of a uniformed service may be used for purposes of the preceding sentence.".

(b) CLARIFICATION OF APPLICABILITY OF PROVISIONS TO FORMER MEMBERS ENTITLED TO RETIRED PAY.—Chapter 71 of title 10, United States Code, is amended as follows:

(1) Section 1401a is amended—

(A) in subsection (b)(3), by inserting "and former member" after "member" the first place it appears;

(B) in subsection (e), by inserting "or former member" after "member" the first and third places it appears; and

(C) in subsection (f), by inserting "or former

member" in the second sentence after "member".

(2) Section 1407(b) is amended by striking out "member" and "member's" and inserting in lieu thereof "person" and "person's", respectively.

(3) Section 1409(aXD is amended by striking out "who is retired" and inserting in lieu thereof "who is entitled to that pay".

(4) Section 1410 is amended—

(1) in the matter preceding paragraph (1), by inserting "or former member after "member" each place (other than the second place) it appears: and

(2) in paragraph (1), by striking out "member's retired pay" and inserting in lieu thereof "retired pay of the member or former member".

(c) PAYMENTS FROM MILITARY RETIREMENT FUND.—Section 1463(a) of such title is amended—

(1) in paragraph (1), by striking out "persons" and inserting in lieu thereof "members":